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ABSTRACT

The scope and operation of New York State's financial aid programs for 1977-78 are described, and recommendations to improve educational opportunity are presented. It is concluded that the development and expansion of the programs in 1978 indicate that they are effectively facilitating access and choice. During 1977-78 the average awards under the Tuition Assistance Program (TAP) increased in all undergraduate sectors, which helped to offset tuition increases, especially in the independent sector. Student guaranteed loans increased in both numbers and amounts to offset increasing educational costs that were not covered by TAP awards and other sources of grant aid. Accountability for both expenditures and program quality is being improved through interagency cooperation resulting from an agreement between the agencies having programmatic or fiscal responsibilities for student aid programs. Three recommendations concern: improvements in income schedules and scales of awards for undergraduate and graduate TAP awards, extension of eligibility for TAP awards to part-time undergraduates, and a comprehensive program of graduate student aid. The following information is included: the types of awards and total annual financial assistance to college students under the present scholarship and grant programs; determination of the student's award on the basis of tuition cost and financial ability; trends in enrollments, awards, and loans; trends in average awards and costs; and the impact of federal student aid programs in New York for campus-based programs and the Basic Educational Opportunity Grant Program. (SW)

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A REPORT BY THE BOARD OF REGENTS TO THE GOVERNOR AND LEGISLATURE ON STATE STUDENT FINANCIAL AID PROGRAMS

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
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EDUCATION

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The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Albany, New York 12234
December 1978

THE UNIVERSITY OF THE STATE OF NEW YORK

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President of The University and Commissioner of Education
Gordon M. Ambach

Section 603 of the Education Law
(As amended by Chapter 942, Laws of 1974)

Section 603. Evaluation of the board of regents. On or before January first, nineteen hundred seventy-six, and annually thereafter on or before December first, the board of regents shall make a report to the Governor and the temporary president of the senate, the speaker of the assembly, the senate finance committee, the assembly ways and means committee and the standing committees of the legislature having jurisdiction of higher education evaluating all financial assistance and loan programs established by this article, which report shall contain such recommendations as the regents may deem appropriate.

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THE UNIVERSITY OF THE STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
OFFICE OF THE PRESIDENT OF THE UNIVERSITY
AND COMMISSIONER OF EDUCATION
ALBANY, NEW YORK 12234

To the Governor and the Legislature:

Student financial aid programs, which have grown rapidly within the past decade, constitute an important element in the financing of postsecondary education. Federal and state governments, institutions and other private sources are currently providing over $11 billion dollars in various assistance programs which are highly instrumental in extending educational opportunity. New York State has a long record of leadership in aiding postsecondary students. Financial barriers have been lowered to achieve a goal of maximum educational access.

The total State program of financial assistance, the largest in the nation, is broad and comprehensive. It comprises an extensive network of low tuition public colleges, tuition assistance grants at public and independent institutions, scholarships for able high school graduates, professional and graduate students and guaranteed loans for postsecondary students.

The present scholarship and tuition assistance grants are based on legislation of 1974 as amended in subsequent years. The legislation of 1974 established the New York Higher Education Services Corporation to centralize the administration of State financial aid programs of scholarships, grants and loans and to coordinate such programs with those of other levels of government, particularly the Federal government. Under the law, the Higher Education Services Corporation is responsible for the issuance of award and loan payments and the Education Department retains the responsibility for selection of winners and alternates in six programs of scholarships or academic performance awards. The law, under Section 602, provides that the Commissioner shall establish regulations governing student eligibility for student award and loan programs in the following areas:

1. Full-time and part-time attendance
2. Summer study
3. Permissible use of general and academic performance awards
4. Matriculation
5. Academic standing.

Section 602 of the law also provides that the Commissioner shall establish regulations governing institutional disclosure of information for students. Such information includes:

1. Financial aid programs
2. Educational costs
3. Refund policies
4. Instructional programs.

Over the years, the Board of Regents has reviewed the State's student financial assistance programs and made recommendations for significant changes. Many of these recommendations formed the basis for legislative changes in 1957, 1961 and 1969. The Tuition Assistance Program, adopted in 1974, paralleled a Regents proposal for the expansion of the tuition grant and took into account a survey of recipients of student aid carried out by the State Education Department.

The Regents continue to review and evaluate the State's student financial aid programs. Accordingly, this report contains not only a description of the present scope and operation of the State's financial aid programs but also recommends improvements aimed at the enlargement of educational opportunity.

Gordon M. Ambach
President of The University and
Commissioner of Education

I

Summary of Findings and Recommendations

Findings

1. The State's student financial aid programs (loans and grants) for 1977-78 totaled $604.5 million, of which $220.5 million was for tuition assistance and $361.9 million was for loans. The balance was expended for other grant and scholarship programs. Scholarship and grant assistance was provided to over 400,000 students. Over 208,000 student loans were approved in 1977-78; approximately 103,000 were approved for first-time borrowers.

2. Tuition assistance payments are expected to rise from $220 million in 1977-78 to $238.2 million in 1978-79; the increase results mainly from increased award levels established by the Legislature in 1978.

3. There has been a continued improvement in State student award processing. For 1977-78, the Corporation had processed, by September 30, 1977, about 80 percent of applications received through August 1977. The establishment of new procedures and a new computer facility enabled the Corporation to process about 83 percent of the 1978-79 applications received through the end of August 1978. This level of processing is about the same as achieved in 1975-76, the last year the applications were handled through the Education Department computer.

4. The total number of TAP recipients for 1977-78 decreased by 2.7 percent while overall full-time enrollments remained virtually stationary.

5. The most significant decline of TAP recipients in the undergraduate level occurred at City University, 11.2 percent. The largest increase in recipients at the undergraduate level was in the "Other School" category which consists primarily of students in degree-granting proprietary schools and in two-year programs at non-degree business schools. The increase in this category was 19.7 percent. At the graduate level there was a decline in all sectors, amounting to 7.4 percent. Full-time enrollment at this level declined at a lower rate, 2.7 percent.

6. Average undergraduate TAP award levels rose 23.7 percent in 1977-78 over the previous year because of the continuing phase-in of the more generous tuition assistance schedule C and the increase in the maximum award from $1,500 to $1,800 for first-time undergraduates. The average graduate TAP award declined 2.8 percent.

7. A major objective in the establishment of the Corporation was the simplification of application procedures for State and other awards; this objective has not been accomplished.

8. To promote increased accountability for both expenditures and program quality, an agreement was reached in September 1977 among the Education Department, the Department of Audit and Control, the Department of Taxation and Finance, the Division of the Budget, and the Higher Education Services Corporation which defines the programmatic or fiscal responsibilities of these agencies with respect to the administration and integrity of the various student aid programs. There is continuing interagency cooperation, particularly as program reviews and audits progress at institutions.

   The Corporation and the Department of Taxation and Finance have reached agreement on procedures for verification of State net taxable income as reported on the State award application. It is expected that, after a lapse of several years, effective verification will commence in 1978-79, thus improving accountability.

9. As a result of 1978 legislative action, the State student aid programs were amended in the following ways:

   a. Tuition Assistance Program (TAP) award scales for undergraduate students were modified:

      1. The maximum award was increased from $1,500 to $1,800 (or tuition, whichever is less) effective in 1977-78 for first-time students. The new maximum will be phased in annually.

      2. The income threshold for the maximum award for all undergraduates has been increased from $2,000 (net taxable income) to $2,750, effective with awards for 1978-79.

      3. The lowest annual award is now $200, instead of $100.

b. For State University students, the college fee of $25 is now covered by the TAP award.

c. The Higher Education Services Corporation has been provided authority to conduct financial aid program reviews at postsecondary institutions with respect to State award and loan programs.

d. Students who are in default of repayment of guaranteed student loans are not eligible to receive payments of State awards or loans.

e. Criteria for emancipated students, who seek to exclude parental income in determining TAP awards, are now also applicable to graduate students under age 22, in addition to all students between the ages of 22 and 35.

f. Special requirements have been established relating to payments, refunds, and auditing of State award programs.

g. TAP awards are limited to one certificate or degree program at the certificate, associate or bachelor's level, effective with the 1979-80 academic year.

h. In addition to changes in the State student aid programs, the Legislature and the Governor approved two other measures to benefit parents of postsecondary students.

The Parent and Students Savings plan (PASS) was established, permitting deferral on State income tax of parental college expense contributions (up to $750 per year for each eligible beneficiary in the family) to a custodial account. The beneficiaries will be subject to taxation of the distribution of the contribution following completion of their postsecondary education.

The second measure provides for an income tax deduction of one-half of tuition, less any TAP award, for tuition paid for dependents of State residents who attend postsecondary institutions in the State. The deduction may not exceed $1,000 for each dependent and is not allowed for any student to whom a PASS distribution has been made during the same taxable year.

10. The Regents approved the promulgation of Part 53 of the Commissioner's Regulations, which specifies certain kinds of information which postsecondary institutions shall disclose to students through the institutions' catalogs, including financial assistance, educational costs, refund policies, and educational programs.

11. The Corporation's budget request must be developed by the President of the Corporation after consultation with the Board of Regents, according to Section 653 of Education Law. The budget request of the Corporation submitted to the Division of the Budget was developed without such consultation.

II

Conclusions and Recommendations

Conclusions.

The development and expansion of the State's student financial aid programs in 1978 indicate that they are effectively meeting their purposes of facilitating access and choice. This is especially important in a time characterized by relatively stable enrollments.

During 1977-78 the average TAP awards increased in all undergraduate sectors, thus helping to offset tuition increases, especially in the independent sector. The overall undergraduate TAP award increased from $515 in 1976-77 to $697 in 1977-78, a 25 percent increase. In addition, student guaranteed loans increased in both numbers and amounts to offset increasing educational costs which were not covered by TAP awards and other sources of grant aid. The 1978 legislature enacted improvements in the TAP award schedule: phasing in a higher maximum award ($1,800 instead of $1,500); raising the income threshold for the maximum undergraduate award from $2,000 (net taxable income) to $2,750; increasing the lowest annual award from $100 to $200.

In addition, accountability for both expenditures and program quality is being improved through interagency cooperation resulting from an agreement between those agencies having programmatic or fiscal responsibilities for student aid programs.

There are, however, several areas whose further improvements are needed. The following Regents recommendations are aimed at enhancing the effectiveness of State student financial assistance.

Recommendations.

1. Improvements in income schedules and scales of awards for undergraduate and graduate Tuition Assistance Program awards.

   a. The income ceilings for maximum and minimum TAP awards for undergraduates should be raised. There is a need to raise the income level for which the maximum TAP award is applicable so as to establish greater equity for students from low income families. Effective in 1978-79, the maximum undergraduate award ($1,800 or tuition, whichever is less) is payable to students whose family net taxable income does not exceed $2,750. The previous ceiling of $2,000 had been in effect since 1970. The equivalent gross income for a two parent

family with two children, using standard deductions and having a net taxable balance of $2,750 is approximately $6,850. This income is at the poverty level and is lower than the eligibility level for a HEOP student from the same size family ($9,050). Currently, about 41 percent of all undergraduate TAP recipients are in the income range of $0 to $2,750. Under the proposed threshold of $5,000, approximately 51.6 percent of undergraduate recipients would receive a maximum award. Considering the effects of inflation on family income and college costs, the proposed increase is a moderate one and will also serve to increase the award levels of most other recipients over the threshold level by an average of $40 to $60, depending on the sector. The upper income limit for a maximum award of $200 (currently $100) would be increased from $20,000 to $25,000, also in recognition of inflation. The $20,000 level was established in 1969.

b. The income ceilings for maximum and minimum awards for graduate and professional students should be raised. The effect of inflation on income contributed to the decline in the average graduate TAP award from $381 in 1976-77 to $370 in 1977-78, a drop of 7.4 percent. An amendment enacted in 1978 increased the income ceiling for a maximum award for undergraduates from $2,000 to $2,750, but did not change the ceiling for graduate students, which remains at $2,000. Prior to that change, both undergraduate and graduate awards were calculated on the same income basis, and that condition should be reestablished. Currently, about 40 percent of all graduate level TAP recipients are in the income range of $0 to $2,000. Under the proposed ceiling of $5,000, approximately 58 percent of graduate recipients would receive a maximum award. This proposal would make the income schedule for graduate students uniform with that for undergraduates, with maximum $600 awards provided to all students with net taxable incomes not exceeding $5,000, and minimum $100 awards to students who net taxable incomes do not exceed $25,000. The average award would increase by about $130.

Illustration Scale of Proposed TAP Awards
Based on Maximum Awards for Incomes of $5,000
and Under and Minimum Awards Extending to
Incomes of $25,000

Net Taxable Balance	Independent Colleges				SUNY/CUNY			
	Undergraduate		Graduate		Undergraduate (lower division)		Graduate	
	Old	New	Old	New	Old	New	Old	New
$2,000	$1,800	$1,800	$600	$600	$775	$775	$600	$600
2,750	1,800	1,800	550	600	775	775	550	600
5,000	1,698	1,800	442	600	673	775	442	600
6,000	1,595	1,720	333	533	570	695	333	533
9,000	1,375	1,470	133	333	350	445	133	333
12,000	1,115	1,169	100	133	200	200	100	133
15,000	795	830	100	100	200	200	100	100
20,000	200	200	100	100	200	200	100	100
25,000	0	200	0	100	0	200	0	100

2. Extension of eligibility for TAP awards to part-time undergraduates.

In order to maintain the present highly educated pool of manpower in New York State, it is essential that barriers to access to higher education be minimized for persons who must study on a part-time basis. The extension of eligibility for TAP to part-time undergraduates would help minimize access barriers for persons seeking career advancement or retraining for new careers. It would also assist persons--primarily women--with family responsibilities that prevent full-time study but who are seeking to develop employment skills. In New York in 1977, there were over 225,000 part-time undergraduates, a number which had declined by 12 percent from the number enrolled two years earlier.

This decline signifies the existence of significant barriers to part-time study. Extension of TAP to this group would reduce at least one of those barriers, tuition costs. Only students enrolled for not less than six nor more than eleven semester hours a semester would be eligible for awards. This eligibility would be phased in. In 1979-80, only students who had already earned 90 semester hours in a four-year program, or 45 semester hours in a two-year program would be eligible. In 1980-81, only students who had already earned 60 semester hours in a four-year program or 30 semester hours in a two-year program would be eligible. In 1981-82 and thereafter, students who had already earned 30 semester hours in a four-year program, or 15 semester hours in a two-year program would be eligible for awards. Part-time students, under this proposal, would receive awards at one-half the value of awards for full-time students.

3. A comprehensive program of graduate student aid.

A Regents Fellowship Program should be established that would provide 800 awards annually to first-time doctoral students who are residents of New York State and who attend a registered doctoral program at a New York State institution as full-time students. Awards should be made for tuition and stipends for living expenses. The tuition portion of the award would be $3,000 or tuition, whichever is less. The stipend for living expenses would be $2,500 per year. Not less than 50 of the fellowships would be awarded to students in programs designated to prepare students for careers in political science, international affairs, and public administration. Such fellowships would be known as the Lehman Fellowships. The remaining 750 fellowships would be intended for use in doctoral programs designed to prepare the holders to conduct original research in fields of knowledge beneficial to the economic well-being of New York State.

The fellowship program is designed to assure a continuing source of talented young people who can best contribute to the advancement of the frontiers of knowledge and thus to support the economic needs of the State. In spite of the possible oversupply of Ph.D.'s in many fields, persons with strong training and capable of creative contributions to society are, and will continue to be, in great demand. Research is the basis of both higher education and industrial development.

The number of fellowships available from New York State has dwindled in recent years. In 1971, approximately 800 new fellowships were authorized through Regents Fellowship programs. It is time for the State to once again make an investment in a fellowship program. The program is designed to enhance New York's ability to attract and retain industry that depends on a continuing supply of highly educated researchers. The Regents have also proposed to the Federal government a program of matching aid to institutions enrolling State fellowship holders.

III

The Development and Scope of Financial Assistance Programs in New York State

New York State provides an extensive program of scholarships, grants, and loans, effectively aimed for the enlargement of college opportunity.

The State's financial assistance programs began in 1913 with the establishment of the Regents College Scholarship Program for outstanding high school seniors. Over the years, the numbers of awards and amounts of awards increased. Prior to 1975, when all new Regents College Scholarships were fixed at a $250 annual level, the annual value of the scholarship ranged from $250 to $1,000 depending on family income. Between 1936 and the 1960's, various other special scholarship and award programs were established for children of deceased and disabled veterans and for veterans of World War II, and of the Korean and Vietnamese conflicts. In addition, special scholarship programs were initiated for the study of nursing, medicine, and dentistry as well as fellowships for college teaching and various other academic programs on the graduate level.

In 1961, the legislature established the Scholar Incentive award program, a non-competitive grant program for full-time undergraduate and graduate students. The first awards were made in 1962. Within a few years, the size of the Scholar Incentive award program, in terms of numbers of students and annual expenditures, far exceeded the size of the Regents College Scholarship Program. In 1974, the Legislature established the Tuition Assistance Program which replaced the Scholar Incentive awards (which had maximum annual awards of $600) with a more liberal scale of awards having a maximum annual value of $1,500, not to exceed tuition, for undergraduates. The $1,500 maximum was raised to $1,800 in 1978 for first-time students in 1977-78.

The present State assistance programs include the following major components:

TUITION ASSISTANCE PROGRAM AWARDS. New York State residents with capacity for full-time study receive non-competitive grants to help meet tuition costs.

REGENTS SCHOLARSHIPS AND FELLOWSHIPS. Outstanding students receive scholarships or fellowships, on the basis of competitive examinations, with amount and terms of awards depending generally on program of study.

LOANS. Students attending New York postsecondary institutions may receive loans up to $2,500 a year for meeting costs of approved undergraduate and vocational programs. Graduate and professional students may borrow up to $5,000 per year and students in professional study of medicine, dentistry and veterinary medicine, may borrow up to $7,500 per year under a special program. The Higher Education Services Corporation guarantees loans made by financial institutions and the Federal government pays interest while the student is enrolled if the adjusted family income is less than $25,000. If the adjusted income is $25,000 to $30,000, partial interest may be paid by the State. During the repayment period, after termination of study, the student repays the principal amount plus 7 percent simple interest. Under the Federal Middle Income Assistance Act of 1978, the income ceiling for subsidized loans has been eliminated, effective with the 1979-80 academic year.

STATE UNIVERSITY SUPPLEMENTAL TUITION ASSISTANCE AWARDS. State University students with limited financial resources may receive from the State University partial tuition waivers for the difference between the tuition charge and the TAP award, so that there will be no out-of-pocket tuition cost.

IV

The Present Scholarship and Grant Programs

Scholarships and grants awarded in New York State in 1977-78 exhibit a diverse range of opportunity. The largest component, the Tuition Assistance Program, provides awards which are applicable to any approved undergraduate or graduate program. Similarly, the Regents College Scholarships are available for a wide variety of undergraduate programs. For students in specialized graduate programs, special fellowship and scholarship awards are available. The combination of undergraduate and graduate awards may provide assistance for as much as 8 years of study.

A. Types of Awards

	Number of New Awards 1977-78	Amount of Annual Award	Term of Award (In Years)
Noncompetitive Awards			
Tuition Assistance Program Awards	355,360[1]	200-1800	8
Child-of-Veteran Awards	3,000[1]	450	4 or 5
	358,360		
Scholarships for High School Seniors			
Regents College Scholarships	19,436	250	4 or 5
Basic Nursing Scholarships	800	250	4 or 5
Cornell University Scholarships	60	100-1000[2]	4
	20,296		
Other Scholarships and Fellowships			
Medical-Dental scholarships	130	350-4000	4
Lehman Fellowships	30	4000-5000	4
	160		
The Student loan Program, 1977-78			
Number of Original Loans	104,607		
Number of Additional Loans	103,555		
Total Loans	208,162		
Total Amount	$361,912,189		
Average Loan	$1,739		

[1] Estimated from Higher Education Services Corporation Annual Report, November, 1978

[2] Tuition reduction by Cornell University

B. Total Annual Financial Assistance to College Students

The student financial aid programs of New York State totaled approximately $604.5 million in 1977-78. During 1977-78, they provided scholarship and grant assistance to over 400,000 students. Over 208,000 student loans were approved in 1977-78, of which approximately 104,000 were to first-time borrowers. The total expenditures of $604.5 million represents an increase of 29.7 percent over the total outlay of $466 million in 1976-77. The TAP and Regents Scholarship program expenditures increased from $208 million in 1976-77 to $220.6 million in 1977-78. The increase is attributed to the continued phasing-in of the higher TAP schedule for undergraduates, initiated in 1974, and the initial phasing-in, in 1977-78, of a maximum undergraduate TAP award of $1,800 ($1,500 for the non-first time recipients). Student loans increased from $259.3 million in 1976-77 to $361.9 million in 1977-78, an increase of 39.5 percent.

Table 1

Total Payments and Aid Recipients, 1977-78[1]

	Students	Total Aid[2]
Tuition Assistance Program Awards	355,360	$220,575,000
Regents Scholarships, Fellowships and Child-of-Veteran Awards	72,330	22,061,100
Student Loans	208,162	361,912,189
TOTALS	635,852[3]	$604,548,189

[1] Preliminary data reported in Higher Education Services Corporation Anuual Report, November 1978.

[2] The appropriation for 1977-78 TAP awards was $214.6 million.

[3] Total contains duplicated numbers of recipients.

V

Determination of the Student's Award on the Basis of Tuition Cost and Financial Ability

The minimum and maximum awards for each scholarship and grant program are established by legislation. Within this range, the award is determined by the tuition cost of the college attended by the student and by the family net taxable income.

These principles are illustrated for the largest award program, the Tuition Assistance Program. That program presently operates with four schedules of awards. Schedule B applies to those undergraduate students who were enrolled in postsecondary study before July 1, 1974,while Schedule C is available to undergraduate students who began study after that date. Schedule B also applies to graduate and professional students. In 1978-79 nearly all undergraduate students will receive TAP awards under Schedule C. The $1,800 maximum is applicable to first and second year students in 1978-79. Other students are under the $1,5000 maximum, or tuition, whichever is less.

Table 2

Illustrative Tuition Assistance Program (TAP) Annual Awards
For All Students Except Single Emancipated Students
1978-79

Net Taxable Balance*	Independent College (Tuition of $1,800 or more) Schedule B	Schedule C	SUNY and CUNY Lower Division ($775 Tuition) Schedule B	Schedule C
$ 2,000	$600	$1,800	$600	$775
2,750	550	1,800	550	775
6,000	333	1,595	333	570
9,000	133	1,375	133	350
12,000	100	1,115	100	200
15,000	100	795	100	200
20,000	100	200	100	200

*Net taxable balance is the gross income less all allowable exemptions and deductions for State income tax purposes. For the typical two-child family, a net taxable balance of $2,000, for example, is approximately comparable to a gross income of about $6,100.

After a student has received two full years of payments under any program (TAP or Scholarship), remaining TAP payments under Schedule C are reduced by $200 per year, except that no student shall receive less than $200 per year if the family net taxable balance is $20,000 or less.

Two additional schedules were established for single, emancipated students by the 1977 legislature. Schedule D applies to those single emancipated students who would otherwise receive awards under Schedule B (graduate students and certain undergraduates). Schedule E applies to single emancipated undergraduate students who would otherwise receive awards under Schedule C.

Table 3
Illustrative Tuition Assistance Program (TAP)
Annual Awards for Single, Emancipated Students
1978-79

Net Taxable Balance	Independent College (Tuition of $1,800 or more) Schedule D	Schedule E	SUNY and CUNY Lower Division ($775 tuition) Schedule D	Schedule E
$0-1,000	600	1,800*	600	775
2,000	350	1,500	350	625
3,000	100	1,300	100	200
5,000	100	600	100	200
5,667 & over	0	0	0	0

* The maximum award of $1,800 is applicable to students receiving TAP awards for the first time in 1977-78 or thereafter.

The distribution of family net taxable income for TAP recipients in 1977-78 appears in Table 4. At the undergraduate level a significantly higher percentage of CUNY students are in the lowest income interval ($0-2,000) than is the case for the SUNY and independent college sectors. The maximum TAP award is applicable at that income level and consequently a higher percentage of CUNY students receive the maximum award than do students in the SUNY and CUNY sectors. At the upper end of the income scale ($10,000-20,000) there is a corresponding decrease in the proportion of CUNY students, as compared with the other undergraduate sectors. The distributions for SUNY and independent college students are fairly similar as are the overall distributions for undergraduate and graduate students.

Table 4

Family Income Distribution
For Tuition Assistance Program Recipients
Fall 1977

Net Taxable Income	Undergraduate						Graduate			
	CUNY Percent		SUNY Percent		Independent Percent	Total Percent	CUNY Percent	SUNY Percent	Independent Percent	Total Percent
	Sr Col	CC's	St Op	CC's						
$ 0-2,000	46.0	52.2	28.1	32.8	30.7	37.7	46.7	44.1	36.3	40.1
2,001-3,000	4.7	4.8	4.0	4.5	4.3	4.4	7.6	5.4	6.6	6.4
3,001-4,000	4.9	4.9	4.3	4.8	4.4	4.6	7.6	4.9	6.1	5.9
4,001-5,000	4.9	5.3	5.0	5.0	4.5	4.9	6.7	4.7	6.1	5.7
5,001-6,000	5.1	5.0	5.8	5.3	4.5	5.0	5.6	4.5	5.2	5.0
6,001-7,000	5.0	4.9	6.2	5.5	4.6	5.2	3.6	3.5	4.6	4.2
7,001-8,000	4.7	4.2	5.9	5.3	4.5	4.8	3.2	3.8	4.6	4.2
8,001-9,000	4.2	3.5	5.6	4.8	4.6	4.5	2.3	3.6	4.2	3.8
9,001-10,000	3.3	2.7	4.1	3.8	4.5	3.8	2.6	3.9	3.8	3.7
10,001-12,000	5.1	4.1	6.2	6.4	8.5	6.3	4.5	5.7	6.6	6.1
12,001-14,000	3.9	3.1	6.6	6.2	8.3	5.8	3.3	5.4	5.2	5.0
14,001-17,000	5.0	3.1	9.6	8.6	9.9	7.5	4.1	5.6	6.3	5.8
17,001-20,000	3.2	2.1	8.6	6.7	6.4	5.4	2.1	4.5	4.6	4.1

SOURCE OF RAW DATA: Higher Education Services Corporation, May 1978.

NYSED: Bureau of Postsecondary Planning

Trends in Enrollments, Awards and Loans

It is useful to compare full-time enrollment data for 1976-77 and 1977-78 with the number of TAP recipients, by sector, for the same period. These data are displayed in the tables 5 and 6. Whereas total undergraduate enrollment increased by .6 percent, the numbers of recipients decreased by 2.4 percent. Some interesting variations between enrollments and TAP recipient numbers at the undergraduate level appear:

1. Undergraduate enrollments at SUNY State-operated colleges decreased by 1.9 percent and the number of TAP recipients increased by 1.2 percent. The utilization rate increased slightly, from 61.5 percent to 63.4 percent.

2. At the SUNY community colleges, enrollments increased by .5 percent and the number of recipients decreased by .1 percent. The utilization rate decreased from 60 percent to 59.4 percent.

3. Independent college undergraduate enrollments increased by 1.3 percent and the number of TAP recipients increased by .5 percent. However, the utilization rate declined from 45.7 percent to 45.3 percent.

4. Although the undergraduate enrollments at CUNY increased by 2.3 percent, the utilization rate decreased by over 12.4 percent.

In summary, the numbers of undergraduate TAP recipients in 1977-78 decreased by 2.4 percent while enrollments increased by .6 percent. At the graduate level, the numbers of TAP recipients declined by 7.4 percent while enrollments dropped by 2.7 percent.

The utilization rates in all the undergraduate sectors, excepting CUNY, remained stable. The reason for the marked decrease in that sector is not yet clear. However, 1977-78 is only the second year of general participation by CUNY students in the Tuition Assistance Program, and patterns are not yet evident.

The number of loans guaranteed includes graduate and undergraduate students, students at collegiate institutions as well as at vocational institutions, students studying in New York State, and students studying outside the State. The total number of loans rose 16.1 percent while enrollments in New York State were relatively stable. The reason for the overall increase in loan volume may be due to the following circumstances:

1. In 1976, amendments to Federal legislation expanded eligibility by increasing maximum family income levels from $15,000 to $25,000 for interest-free loans while the student is engaged in study.

2. Following the 1976 Federal legislation, State law was amended to authorize, among other things, loans to out-of-state students enrolling at institutions within New York State. This provision made it possible for the Corporation to qualify for 100 percent Federal reinsurance on loans.

3. Continuing increases in college costs.

Table 5

Number of TAP Recipients by Sector
1976-77 and 1977-78

	1976-77		1977-78		
	Number	% of Total	Number	% of Total	% Change in Numbers from 1976-77
Undergraduate	343,360		335,290		- 2.4
City University	109,699	31.9	97,364	29.0	-11.2
State University	128,358		129,060		.5
State-operated	79,554	23.1	80,525	24.0	1.2
Comm. College	48,804	14.2	48,535	14.5	- .1
Independent Colls.	89,518	26.1	89,966	26.8	.5
Other[1]	15,785	4.6	18,900	5.6	19.7
Graduate	21,680		20,070		- 7.4
City University	1,854	8.6	1,690	8.4	- 8.8
State University	7,044	32.5	6,830	34.0	- 3.0
Independent Colls.	12,782	58.9	11,550	57.5	- 9.6
TOTAL	365,040		355,360		- 2.7

[1]Includes hospital schools, degree-granting proprietary institutions, and registered non-degree business schools with curricula of two years duration.

Table 6

Utilization Rates for TAP Recipients by Level of Enrollment and Type of Institution 1976-77 and 1977-78

	1976 Enrollment	TAP Recip. as % of Enrollment	1977 Enrollment	TAP Recip. as % of Enrollment	Percent change in Enrollment
Undergraduate	524,078	65.5	527,463	63.5	.6
State University	210,688	60.9	208,623	61.8	-1.0
State-operated	129,372	61.5	127,900	63.4	-1.9
Community Coll.	81,316	60.0	81,723	59.4	.5
City University	117,519	93.3	120,238	80.9	2.3
Independ. Colls.	195,871	45.7	198,602	45.3	1.3
Graduate	66,482	32.6	64.654	31.0	-2.7
State University	14,992	46.9	14,670	46.5	-2.1
City University	4,201	44.1	4,242	39.8	.9
Independ. Colls.	47,289	27.1	45,742	25.3	-3.3

Table 7

Loans Guaranteed by Fiscal Year

	1976-77	1977-78	% Change
Original Loans	90,830	104,607	15.2
Additional Loans	88,539	103,555	17.0
Total	179,364	208,162	16.1

VII

Trends in Average Awards and Costs

The changes in average TAP awards for undergraduates between 1976-77 and 1977-78 were more dramatic than between 1975-76 and 1976-77.[1] The average undergraduate TAP award increased by 23.7 percent between 1976-77 and 1977-78 whereas it had increased by 7.5 percent between 1975-76 and 1976-77. The higher rate of increase is due, primarily, to two factors:

1. More students are on the higher TAP schedule (Schedule C).

2. The raising of the maximum TAP award from $1,500 to $1,800 for first-time students in 1977-78. This increase affected only students in the non-public sector, but it also served to raise the general average.

Graduate students received an average TAP award in 1977-78 that was 2.8 percent lower than in 1976-77. The decline is primarily due to higher income levels of the recipients.

Among the scholarship programs, the Regents College Scholarship program (the largest program) shows an expected decline due to the increasing phasing in of the flat $250 merit awards and the phasing out of the older schedule of awards, based on income, which had a range of $250 to $1,000. Changes in average awards for the other scholarship programs are largely the result of fluctuations in income levels.

The changes in average TAP awards are related to changes in tuition costs. Table 10 shows average tuitions and average TAP awards for the college sectors in 1976-77 and 1977-78. The impact of tuition increases at the independent colleges and the SUNY community colleges was offset by increases in average TAP awards so that the net tuition for TAP recipients at the independent colleges decreased by 2.1 percent while the net increase at the community colleges was 1.2 percent. At the SUNY State-operated colleges the net tuition for TAP recipients actually decreased by 10.5 percent and at the CUNY colleges the net decrease was 12.7 percent. In all sectors, except for the community colleges of State University, the average TAP award represented a higher proportion of tuition in 1977-78 than it did in 1976-77.

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[1] See Tables 8 and 9

Table 8

Average Awards and Loans, 1976-77 and 1977-78[1]

Program	Average Amounts 1976-77	Average Amounts 1977-78	Percent Change
Tuition Assistance Program			
Undergraduate	$ 515	$ 637	23.7
Graduate	356	346	- 2.8
Total	506	621	22.7
Regents College Scholarships	310	287	- 7.4
Regents Nursing Scholarships	236	255	8.1
Child-of-Veteran Awards	432	400	- 7.4
Regents War Veterans Scholarships	318	310	- 2.5
Regents Medical and Dental Scholarships	2,068	1,950	- 5.7
Lehman Fellowships	3,630	4,200	15.7
Student Loans	1,446	1,739	20.3

[1]Data from Higher Education Services Corporation Annual Report, November 1978

Table 9

Average TAP Awards By Sector and Level of Study[1]

Undergraduate	Average Amounts 1976-77	Average Amounts 1977-78	Percent Change
State University			
State-operated	$356	$410	15.7
Community Colleges	340	342	.5
City University	445	500	12.4
Independent Colleges	778	1,054	35.5
Other Schools[2]	848	1,083	27.7
Total	$515	$637	23.7
Graduate			
State University	$381	$370	-2.8
City University	336	277	-17.6
Independent	346	340	-1.7
Total	$356	$346	-2.8

[1]Data from Higher Education Services Corporation Annual Report, November, 1978

[2]Includes hospital schools, degree-granting proprietary institutions and registered business schools with two year curricula.

Table 10

Average Undergraduate TAP Awards and Average Tuition Costs, 1976-77 and 1977-78

	Independent			State University						City University		
				State Operated			Community Colleges					
	1976-77	1977-78	%Change	1976-77	1977-78	%Change	1976-77	1977-78	%Change	1976-77	1977-78	%Change
Average tuition[1]	$2,900	$3,131	7.9	$804	$811	.8	$673	$689	2.4	$863	$865	.2
Average TAP	778	1,054	35.5	356	410	15.7	340	342	.5	445	500	12.4
Tuition Less TAP	2,122	2,077	(2.1)	448	411	(10.5)	343	347	1.2	418	365	(12.7)
TAP as a % of tuition	26.8	33.7	6.9	44.3	49.4	5.1	50.5	49.6	-.9	51.6	57.8	6.2

[1]Tuition charges are estimated and weighted for independent, SUNY State operated and CUNY. Estimate for SUNY community colleges is unweighted.

VIII

The Impact of Federal Student Aid Programs in New York

Students in the State's postsecondary institutions also participate in various Federal need-based student aid programs. There are four major programs, three of which are administered by the colleges. These programs are the National Direct Student Loan Program, the College Work Study Program, and the Supplemental Educational Opportunity Grant Program. The colleges receive annual allocations of funds, based on reviews of their requests and Federal allocation formulas, and distribute the awards on the basis of need. There is also a national entitlement program for undergraduates, the Basic Educational Opportunity Grant Program. In this program, the student applies directly to a Federal BEOG contractor which issues award certificates to eligible students. The students decide where they will use their BEOG awards and the award certificates are the basis for credit or cash towards educational expenses. The campus financial aid officer is responsible for "packaging" or combining various Federal, State and institutional awards so they may meet, but not exceed, the student's financial need.

1. Campus-based programs

Table 11 shows an estimated distribution of the campus-based Federal student aid for 1978-79 on the basis of the approved institutional requests. It should be noted that the various funds and number of students depicted in Table 11 are estimates on the basis of allocations before actual disbursement of funds. Actual disbursements for the year, not now available, will produce adjustments in the figures reported on the table. The NDSL allocations have been adjusted to include institutional capital contribution of one-ninth the Federal allocation. Though not shown on the table, the institutions will also have available for lending funds from repayments of previous loans. The College Work Study allocations have been adjusted to include an additional 20 percent capital contribution from institutional or off-campus (nonprofit) sources. The Supplemental Educational Opportunity Grant funds do not require capital contributions but must be matched by equal amounts of aid from other sources, governmental or institutional. In addition, the SEOG award cannot exceed one half the financial aid awarded the student.

The estimated average disbursements to students, shown in Table 11, reflect allocation formulas for the three programs. Actual disbursements will likely include different numbers of recipients and averages. For example, the final NDSL figure for an institution will include additional loans from a revolving fund accrued through repayments of previous loans.

Such lending is in addition to that from the annual Federal and institutional contribution. Similarly, actual disbursements from the SEOG and CWSP funds will exhibit variations in the packaging of student aid by the individual institutions.

Beyond the matter of average disbursements to students is the distribution of Federal campus-based funds among institutional sectors. In the NDSL, CWSP, and SEOG programs the public colleges receive, respectively, 34.7, 47.9 and 41.7 percent of the allocations. For 1977-78, the public colleges held 60.7 percent of the total undergraduate enrollments. Presumably the larger allocations to the non-public sector reflect the higher need for funding due to higher student expenses at institutions in this sector. The combined allocations for the three campus-based programs amount to approximately $81.8 million for 1977-78, or about 13.5 percent of the total State student aid program expenditures for the same year.

2. Basic Educational Opportunity Grant Program

For 1977-78, students at educational institutions in the State received an estimated $186.4 million in grants under this program. This amount is approximately 30.8 percent of total expenditures for State student aid programs in 1977-78. The estimated BEOG expenditures are more than twice the funding for the combined campus-based Federal programs.

The estimated sector distribution of Basic Educational Opportunity Grants (BEOG) is shown in Table 12. The figures are derived from authorized allocations to institutions as of October, 1978. Actual disbursements for the year will produce adjustments in the figures reported on the table. The BEOG awards for 1977-78 were in a range of $200 to $1,400. The award schedules operated in a manner so as to largely limit eligibility to students of low and low middle income categories. The great majority of awards were received by students whose gross family income is less than $12,000. The BEOG program was initiated in 1973-74 (with a maximum award of $452). New York State has the largest number of participants in this program. In 1976-77 there were 208,215 recipients receiving $171.7 million. The average award was $825. Whereas the appropriations for the campus-based programs have remained relatively stable for the past three years, the cost of the BEOG program has accelerated (the estimated national cost for 1977-78 is approximately $1.9 billion) an increase of approximately $500 million over the expenditure for 1976-77.

The estimated number of 1977-78 BEOG recipients and their average awards, by sector, are unavailable at the time of this report. If the number of 1977-78 recipients is about the same as in 1976-77, the 1977-78 average award would be about $895. The average statewide award for 1976-77 was $825, so that the estimated average award for 1977-78 represents an increase of approximately 8.5 percent. For the same two years, the average undergraduate TAP award, statewide, increased from $515 to $637, a 23.7 percent increase.

The BEOG award cannot exceed one half of all educational expenses and the TAP award cannot exceed tuition or $1,800, whichever is less. At current maximum levels, the two awards do not exceed total college costs and are therefore not considered duplicative.

The public institutions received a higher proportion of BEOG funds (61.8 percent) than they received in the aggregate campus-based programs (40.4 percent). In 1976-77, 64.6 percent of BEOG recipients attended public institutions in the State. Assuming that this proportion holds for 1977-78, the BEOG program, which is an entitlement program, is increasing access to postsecondary education. The degree to which it influences choice, is not known.

* * * * *

The foregoing data on the Federal programs provides a dimension of comparison with the State student aid programs. The combined amounts of Federal aid total $268.2 million, which is 44.4 percent of State student aid programs. The number of students shown participating in the Federal programs is duplicative. Institutional eligibility requirements for all the Federal programs permit participation of students in a number of institutions which, by State law, cannot participate in State award programs. The numbers of Federal aid recipients who are also receiving State assistance is not known. A 1975-76 Education Department study indicates that approximately 55 percent of TAP recipients were also receiving aid from other sources, including the Federal programs. Federal aid programs permit use of funds towards all educational expenses while State scholarships and grants are largely restricted to payment of tuition. The recent passage of the Federal Middle Income Student Assistance Act, combined with recent increases in the TAP award scale, significantly increases both the numbers of students participating in Federal and State programs and the amounts of assistance. For example, BEOG awards will now be available to students whose family incomes reach the $26,000 level and the income limitation ($25,000) for Federally subsidized Guaranteed Student Loans has been removed.

Although the Federal campus-based and BEOG programs are not duplicative of State awards, more information about the impact of Federal aid is needed, especially in the BEOG program. In the planning of the allocation of State resources for support of postsecondary education, it is important to monitor the effect of Federal student aid funds. The interface of the two entitlement programs, BEOG and TAP, should be examined. The Higher Education Services Corporation receives cumulative data on New York applicants for BEOG. The Corporation should research and publish aggregate data on the students who receive both BEOG and TAP awards. Such information would also be useful in developing a common application for State and Federal awards.

3. New Funding Process for Federal Campus-based Programs

Commencing with the 1979-80 year, a new funding process for Federal campus-based assistance programs is being initiated. The previous system was based on an institutional application which was reviewed by a regional panel which recommended levels of funding, subject to a national appeals procedure. Actual funding depended on available appropriated funds and statutory state allotment formulas. These formulas differ among the three campus-based programs and are based on enrollment data with little relationship to financial need in a state. The previous system has been criticized for its inflexibility, inequitable treatment of institutions, and cumbersome application review procedures. The new funding process calls for the gradual introduction of a standard measurement of student financial need at each institution with reference to a national index. The intent is to also streamline the application process, by reducing forms, and to improve timing and local administration through transferral of funds among the three programs.

The new funding process assures that each institution in 1979-80 will receive a level of funding at the actual 1977-78 level or at its projected 1978-79 expenditures, whichever is greater. The funding of the SEOG share will utilize a formula which will measure need as 70 percent of student costs less expected family contributions and gift aid (institutional and State grants). For CWS and NDSL a self-help formula, for undergraduates, is based on the lesser of (1) 30 percent of costs or (2) cost minus expected family contribution. For graduate students 100 percent of cost will be considered in determining need. For both SEOG and the self-help programs of CWS and NDSL,

institutional need indices will be computed with reference to national need calculations. To avoid disincentives to the growth of institutional and State grant programs, the formula for SEOG funding will hold constant such programs at the 1977-78 levels.

The experience of the first year's funding (1979-80) under the new process will be evaluated before the process will be implemented for subsequent years.

Table 11

Estimated Distribution of 1977-78 Federal Student Aid Funds (Campus Based)
By Sector

State University	National Direct Student Loans[1]				College Work Study[2]				Supplemental Educational Opportunity Grants[3]			
	No.	Amount	% Amount	Av. Loan	No.	Amount	% Amount	Av. Earn.	No.	Amount	% Amount	Av. Grant
State operated	13,458	$ 5,431,532	17.9	$404	14,529	$ 6,498,588	20.1	447	5,198	$ 2,852,645	14.9	549
Community Colleges	1,588	644,637	2.1	406	4,157	2,011,550	6.2	484	2,845	1,520,787	7.9	535
City University	10,167	4,126,819	13.6	406	15,568	6,986,818	21.6	449	6,682	3,601,518	18.9	539
Independent Colleges	45,562	17,504,649	57.6	384	27,260	14,629,694	45.3	537	16,950	9,014,350	47.2	532
Other[4]	5,933	2,696,144	8.8	454	4,039	2,188,857	6.8	542	3,766	2,112,257	11.1	667
	74,908	$30,403,781	100.0	406	65,533	$32,315,507	100.0	493	35,441	$19,101,557	100.0	539

[1]Undergraduates may borrow up to a maximum of $5,000 for study leading to a bachelor's degree

[2]Earnings depend on number of hours worked and hourly wage rate

[3]Annual awards range between $200 and $1500

[4]Includes proprietary schools, hospital schools and non-collegiate, non profit schools

Table 12

Estimated Distribution of 1977-78 Basic Educational Opportunity Grants By Sector [1]

	Amount	% Amount
State University		
State Operated	$ 27,236,732	14.6
Community Colleges	16,906,174	9.1
City University	70,960,000	38.1
Independent Colleges	42,655,628	22.8
Other[2]	28,654,565	15.4
	$186,413,049	100.0

[1] Estimated numbers of recipients and average awards, by sector, were unavailable at the time of the report.

[2] Includes proprietary schools, hospital schools and nonprofit, noncollegiate schools.